

**PROPOSITION 130**  
**[SCR 1011 - 2022]**

**constitutional property tax exemptions**

**ANALYSIS BY LEGISLATIVE COUNCIL**

**Legislative Council Staff Draft**

1            Proposition 130 would amend the Arizona Constitution to consolidate and clarify the  
2 constitutional provisions that prescribe exemptions from property tax. Proposition 130 would also  
3 allow the Legislature to prescribe the qualifications for and limits on some of these exemptions.

4            Under the Arizona Constitution, all property in this state is subject to property tax unless it  
5 is exempt under the laws of the United States or the Arizona Constitution. Currently, the Arizona  
6 Constitution provides for thirteen different exemptions from property tax in four sections of the  
7 Constitution. Proposition 130 would consolidate all but one of these exemptions in one  
8 constitutional section and reorganize them based on whether they are self-executing or whether  
9 they need further legislative action to implement. The one exemption that would be eliminated  
10 would be for the property of persons who served in the United States military or navy during World  
11 War I or earlier wars.

12            For the current exemptions for widows, widowers, persons with disabilities and veterans  
13 with service or non-service disabilities, the Arizona Constitution prescribes the maximum amount  
14 of the exemptions and qualifications for the exemptions based on the taxpayer's household income  
15 and the assessed value of the property. The Arizona Constitution allows the Legislature to adjust  
16 the maximum amount of the exemptions for agricultural and business personal property for  
17 inflation. It also authorizes the Legislature to establish by law exemptions for the property of  
18 cemeteries and of educational, charitable and religious organizations.

19            Under Proposition 130, the Constitution would no longer prescribe the initial values for the  
20 exemption qualifications and limits for the exemptions that require legislative action. The  
21 Legislature would determine the qualifications for and the amount of these exemptions. In the  
22 2022 legislative session, the Legislature passed a bill that would set the exemption limits and  
23 qualification amounts at the amounts currently prescribed in the Arizona Constitution as adjusted  
24 for inflation to 2022. That bill does not go into effect unless Proposition 130 is approved by the  
25 voters.